

# **ALBANIA FIELD REPORT**

## **PRIVATE SECTOR DEVELOPMENT CONTRACT**

# **MODEL CONTRACT FOR SOLID WASTE PRIVATIZATION IN ALBANIA**

### **Prepared for**

**United States Agency for International Development  
Bureau for Energy and Newly Independent States  
Office of Energy, Environment and Urban Development  
Urban Development and Housing Division  
Washington, DC**

### **Prepared by**

**The Institute for Public-Private Partnerships  
SCS Environmental Engineers**

**Contract No. EUR-0034-C-00-2032-00, RFS 27**

**July 1994**

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## **Abstract**

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The Government of Albania (GOA) has requested USAID's assistance in developing pilot projects for the planning and implementation of solid waste management privatization in key urban areas. Significant inputs of assistance are required to launch successful pilots and promote institutional strengthening and capacity in the environmental area at the national and local levels. It is envisaged that once successful pilots are launched, the model structures, documentation, and lessons learned will be "rolled out" to other participating cities in Albania.

The objective of this activity is to provide assistance to the relevant national and local agencies in designing pilot projects in the solid waste sector. A model contract for the City of Tirana has been drafted to provide a transparent and effective legal framework for the public-private partnership in the solid waste management area. It is envisaged that the contract for Solid Waste Privatization in Albania will serve as a model for other partnerships in the solid waste management area in key urban sites.

## **EXHIBIT 1**

### **MODEL CONTRACT FOR SOLID WASTE SERVICES**

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THIS CONTRACT is entered into on \_\_\_\_\_, 1994, between the CITY OF TIRANA, (hereinafter called the "CITY"), a municipality organized and existing under the laws of the Republic of Albania, and SAUBERMACHER (hereinafter called the "CONTRACTOR"), an Austrian corporation, doing business at Graz, Conrad-v.-Hertzendorf-Strasse 162, Austria.

**WHEREAS**, the Republic of Albania, by enactment of various laws, regulations, and decrees, has declared that it is within the public interest to authorize and require cities and towns to make adequate provisions for solid waste management and handling within their jurisdiction; and

**WHEREAS**, the CITY has determined that the public health, safety, and well-being require that a contract be awarded to a qualified company for the collection, transfer, and disposal of residential solid waste, street sweeping debris, and to perform street watering in designated areas of the City of Tirana; and

**WHEREAS**, the CITY declares its intention of maintaining regular services for the collection, transfer, and disposal of solid waste and street sweeping debris and for providing container service for residents within the CITY limits; and

**WHEREAS**, the CONTRACTOR represents that it has the experience and expertise necessary to perform solid waste collection, street sweeping, and street watering services for designated areas in the City of Tirana;

**NOW, THEREFORE**, the CITY and CONTRACTOR hereby agree as follows:

**ARTICLE 1 – SCOPE OF SERVICES.** CONTRACTOR agrees to perform all solid waste collection services described in Exhibit A, in accordance with its stated terms and conditions. Exhibit A is attached to and made a part of this Contract.

CONTRACTOR agrees to perform all street sweeping services described in Exhibit B, in accordance with its stated terms and conditions. Exhibit B is attached to and made a part of this Contract.

CONTRACTOR agrees to perform all street watering services described in Exhibit C, in accordance with its stated terms and conditions. Exhibit C is attached to and made a part of this Contract.

**ARTICLE 2 – DEFINITIONS.** "Bulky Items" shall mean large items of solid waste, such as appliances, furniture, large auto parts, trees, concrete, metal, and other

oversized wastes whose large size precludes or complicates their handling by normal collection, transfer, or disposal methods.

“Customer” shall mean a commercial or institutional establishment, a construction or demolition activity, or a person owning, renting, leasing, or otherwise holding or occupying a dwelling unit, who is located within the CITY and has satisfactory access to container service, and to which waste management services are provided by the CONTRACTOR. Customers shall include, at the CITY's sole option, CITY fire stations, police stations, City Hall, CITY public buildings, CITY parks, and all public schools in the Contract Area.

“Public Education” shall mean any and all efforts to enhance, increase, or improve the knowledge of Customers of the CONTRACTOR or residents of the CITY regarding solid waste generation, collection, transfer, disposal, or any other aspect of solid waste management.

“Contract Area” means the designated area located within the CITY limits where the CONTRACTOR shall provide solid waste management services to existing Customers, plus all Customers which may be added during the term of this Contract within the same area. The boundaries of the Contract Area are shown by maps in Attachment A-1, and incorporated herein by reference.

**ARTICLE 3 – COMPENSATION.** For services referred to in Article 1, CITY will pay CONTRACTOR a total amount not to exceed four million five hundred thousand dollars (\$4,500,000). CITY shall make payments to CONTRACTOR in accordance with the provisions described in Exhibit D, which is attached to and made a part of this Contract.

**ARTICLE 4 – TERM OF CONTRACT.** This Contract shall begin on the effective date of this Contract and shall be for a period of five (5) years thereafter, unless sooner terminated as hereinafter provided. The CONTRACTOR shall no later than ninety (90) days following the effective date of this Contract provide solid waste collection, street sweeping, and street watering services to the CITY and Customers in accordance with the terms and conditions of this Contract.

**ARTICLE 5 – CONTRACTOR REPRESENTATIONS.** The CONTRACTOR represents that it is a corporation of good standing under the laws of (name of country where contractor is based), and that it has obtained all approvals from its officers, board of directors, stockholders, lenders, or otherwise necessary entities to enter into and be bound by this Contract.

The CONTRACTOR represents that it is an independent contractor and not an officer, agent, or employee of the CITY. CONTRACTOR is solely responsible for the acts and omissions of its officers, agents, employees, contractors, and subcontractors, if any.

Nothing in this Contract shall be construed as creating a partnership or joint venture between CITY and CONTRACTOR.

The CONTRACTOR certifies that this Contract is made without collusion or fraud and that the CONTRACTOR has not offered or received kickbacks or inducements from any supplier, manufacturer, or subcontractor in connection with this Contract, and that it has not conferred on any public employee having any official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, or anything of more than nominal value.

The CONTRACTOR agrees to perform the obligations of this Contract in a prompt, thorough, lawful, workmanlike, and sanitary manner.

**ARTICLE 6 – CITY REPRESENTATIONS.** The CITY represents that it has taken all actions and followed all necessary procedures to sign, enter into, and be bound by this Contract.

The CITY agrees to use its best efforts to enforce parking and other regulations so as to facilitate CONTRACTOR's access to street and containers for providing services under this Contract.

**ARTICLE 7 – FACILITIES.** The CITY shall provide CONTRACTOR access to premises within the Contract Area for the placement and use of collection containers in accordance with the terms of this Contract.

The CITY has the right to direct that all solid waste and debris collected by CONTRACTOR under the terms of this Contract be delivered to a facility designated by the CITY. The CITY shall provide access to CONTRACTOR to dispose of these wastes at a legal solid waste disposal site which shall be the existing landfill. The CITY shall not charge CONTRACTOR for disposal of these wastes at the landfill.

CONTRACTOR shall furnish, at its sole expense, all labor, tools, equipment, utilities, facilities, improvements, and buildings it deems necessary for the conduct of the work under this Contract. All such tools, equipment, facilities, improvements, and buildings shall be maintained in good repair and working order, and shall remain the property of the CONTRACTOR unless permanently attached to CITY facilities or buildings, whereupon the permanently attached items shall become the property of the CITY.

The CITY, at its sole option, may lease certain CITY facilities or buildings to CONTRACTOR during the Contract term.

**ARTICLE 8 – PUBLIC ACCESS TO CONTRACTOR.** The CONTRACTOR shall maintain a local office within the CITY for purposes of communication with the CITY, customers, and the public, as specified in Exhibit A. CONTRACTOR shall at all times

during the term of this Contract have a local manager charged with the responsibility for supervision of the operations of CONTRACTOR.

**ARTICLE 9 – PUBLIC EDUCATION.** The CONTRACTOR shall develop a public education program designed to improve the knowledge of Customers and CITY residents to maximize initial and ongoing participation in the overall waste management program, with particular emphasis on use of containers for disposal and litter reduction. Required elements of the public education program are given in Exhibit A.

**ARTICLE 10 – SPECIAL WASTE SERVICES.** On occasion, the CITY may request CONTRACTOR to provide special waste management services to assist an overall cleaning program for the CITY, including special cleanup days, cleanup of miscellaneous construction and demolition debris or bulky items, and other such services that are not included in the Contract terms and conditions herein. CONTRACTOR may, but is not required to, provide such collection, transfer, and disposal services. CONTRACTOR may provide such services for special wastes through separate written task orders and Amendments to this Contract. The schedule of fees charged by CONTRACTOR to CITY for each task order shall be approved by the Mayor.

**ARTICLE 11 – PERFORMANCE GUARANTEE.** CONTRACTOR shall maintain in full force and effect a Performance Guarantee, bond, or an irrevocable Letter of Credit favoring CITY equal to or with a recovery value of \$90,000. The surety company issuing said guarantee and the form of the guarantee, bond, or Letter of Credit, as the case may be, shall be subject to approval by the CITY. In the event that the CONTRACTOR fails for any reason to perform as provided herein, CITY shall have the option of recovery from the said guarantee, bond, or Letter of Credit.

In addition, all containers purchased by the CONTRACTOR for the purpose of performing the solid waste collection service may, at the sole option of the CITY, become the property of the CITY when CONTRACTOR breaches or in any other way fails to fulfill its obligations identified herein. If the containers become the property of the CITY, CITY shall pay the CONTRACTOR for the cost of the containers (cost is defined as manufacturer's invoice cost plus distribution costs, without interest) prorated on a straight-line basis over five years, or, in the case where the containers are not owned by the CONTRACTOR, CONTRACTOR shall assign to the CITY, to the extent the CONTRACTOR is permitted to do so under the instruments pursuant to which CONTRACTOR possesses such containers, the right to possess the containers, provided, however, that any amount owed to CONTRACTOR hereunder may be offset by damages, costs, or expenses suffered by CITY, or by Customers as a result of CONTRACTOR's default or breach of this Contract.

CITY shall maintain in full force and effect a Performance Guarantee or an irrevocable Letter of Credit favoring CONTRACTOR equal to or with a recovery value of \$90,000 for the term of this Contract. In the event that the CITY fails for any reason to perform as provided herein, CONTRACTOR shall have the option of recovery from the said guarantee or Letter of Credit.

**ARTICLE 12 – NOTICES.** All notices required or contemplated by this Contract shall be in writing and shall be personally delivered or mailed, addressed to the parties as follows:

**TO CITY's** representative and full address:

**TO CONTRACTOR's** representative and full address:

or to such other addresses as either party may from time to time designate by notice in writing to the other given in accordance with this Article.

**ARTICLE 13 – INDEMNIFICATION.** CONTRACTOR shall indemnify and hold CITY harmless from and against any and all loss, damages, liability, claims, costs, and expenses, whatsoever, regardless of the merit or outcome of any such claim, arising from or in any manner related to the services or work provided pursuant to this Contract.

CITY shall indemnify, defend, and hold CONTRACTOR, its facilities, and their respective officers, directors, employees, and shareholders harmless from and against any and all liabilities, losses, damages, claims, costs, and expenses arising from and in any manner related to the sole negligence or willful acts of the CITY, its officers, employees, agents, or contractors.

**ARTICLE 14 – INSURANCE.** CONTRACTOR shall maintain in full force and effect throughout the term of this Contract general comprehensive public liability insurance. This insurance shall include coverage for premises-operations, broad form property damage, and personal injury with a company approved by the CITY in a form satisfactory to the CITY Attorney, protecting CITY against liability for loss or damage for personal injury, death, and property damage, due to the operations of CONTRACTOR under this Contract.

In the event of the termination or cancellation of the insurance policies required by this Contract, or failure of the CONTRACTOR to provide insurance policies, the Contract may be terminated by CITY upon written notice to CONTRACTOR. In this event the CONTRACTOR shall be liable to CITY for any and all damages suffered by CITY arising out of termination of this Contract.



The CONTRACTOR, at its option, may waive the above insurance requirement, provided that CONTRACTOR maintains in full and effect the Performance Guarantee, bond, or an irrevocable Letter of Credit favoring CITY equal to or with a recovery value of \$250,000.

**ARTICLE 15 – REPORTS.** The CONTRACTOR shall prepare and furnish to the CITY an annual report which shall provide the volumes of solid waste and debris collected and transported by month from the Contract Area, as well as the quantities of water usage for street sweeping and for street watering by month.

The annual report shall also include an updated list of all vehicles used for solid waste collection, street sweeping, and street watering; the names and titles of all supervisory personnel used by CONTRACTOR; a description of all cases of public and private property damage and personal injury that have occurred while providing Contract services; and a description of all traffic citations received by CONTRACTOR.

CONTRACTOR shall furnish five (5) copies of this annual report to CITY within forty-five (45) days following each anniversary date of the Contract execution date. CONTRACTOR shall also provide an annual consolidated financial statement subject to audit by Albanian authorities. If CONTRACTOR fails to submit the annual report in this time period, CONTRACTOR shall pay CITY twenty-five dollars (\$25) per day for each calendar day the annual report is delinquent.

**ARTICLE 16 – SCREENING OF WASTE.** The CONTRACTOR shall be responsible for initial screening of solid waste collected to determine the appropriate location for disposal. This screening shall be visual; CONTRACTOR's employees shall note the presence of any unacceptable wastes in the vicinity of CONTRACTOR's containers and notify CITY within one (1) day of such unacceptable wastes so that the CITY can arrange for the proper removal and disposal of such wastes.

**ARTICLE 17 – EMPLOYMENT.** The CONTRACTOR shall provide suitable operational and safety training for all of its employees who utilize or operate vehicles or equipment and who are directly involved in waste collection vehicles, and must have in effect a valid license of the appropriate class issued by the Republic of Albania. The CONTRACTOR shall train its employees involved in solid waste collection to identify and not collect hazardous waste, infectious waste, or other unacceptable waste.

All employees of the CONTRACTOR shall at all times of employment be dressed in clean uniforms which are provided with suitable identification. Uniforms and identification are subject to approval by the CITY.

The CONTRACTOR shall not permit its employees to accept, demand, or solicit, directly or indirectly, any additional compensation or gratuity from customers or any other member of the public for solid waste management services.

The CONTRACTOR agrees that, in the event the CITY discontinues CITY employee positions currently associated with the collection, transfer, and disposal of solid waste and street sweeping debris in the designated Contract Area, then the CONTRACTOR shall offer employment positions in connection with the responsibilities to be undertaken in this Contract to at least one hundred sixty (160) municipal enterprise employees for a period of no less than one (1) year in any of its subsidiaries, parent, or sister companies.

**ARTICLE 18 – DEFAULT.** In the event of Default under this Contract, the non-defaulting party shall have the right to cure such Default and to charge the defaulting party for the cost of curing such Default, including the right to offset such faults against any sums due or which become due to the defaulting party.

This Contract may be terminated by the CITY in the event of a Default that has not been cured within sixty (60) days of written notice being sent to CONTRACTOR by the CITY. “Default” shall mean:

- (a) a failure to comply with any of the provisions of this Contract;
- (b) the insolvency of the CONTRACTOR;
- (c) if CONTRACTOR practices, or attempts to practice, any fraud or deceit upon CITY; or
- (d) if CONTRACTOR ceases to provide waste management services as required under this Contract over all or a substantial portion of the Contract Area for a period of seven (7) days or more, for any reason within the control of CONTRACTOR. (For purposes of this Article, a labor strike or similar organized work stoppage will not be deemed to be within the control of CONTRACTOR.)

In the event of a Default and the appropriate notice thereof to the CONTRACTOR, the sixty (60) day cure period shall be extended for so long as the CONTRACTOR is actively and continuously pursuing a course of action which will reasonably lead to cure of that Default.

In the event of termination of this Contract due to a Default, the CITY, without further notice, shall have all of the following rights and remedies which CITY may exercise singly or in combination:

1. The right to declare that this Contract together with all rights granted CONTRACTOR hereunder are terminated, effective upon such date as CITY shall designate;
2. The right to license others to perform the services otherwise to be performed by CONTRACTOR hereunder, or to perform such services itself;
3. The right to rent or lease the equipment from CONTRACTOR for purposes of solid waste collection, street sweeping, and street watering which CONTRACTOR is obligated pursuant to this Contract, for a period not to exceed eighteen (18) months. If

the CITY exercises this right, CITY shall pay CONTRACTOR the reasonable rental value of the equipment so taken for the period of the CITY's possession thereof. In the case of equipment not owned by CONTRACTOR, CONTRACTOR shall assign to the CITY, to the extent the CONTRACTOR is permitted to do so under the instruments pursuant to which CONTRACTOR possesses such equipment, the right to possess the equipment; and

4. The right to recovery under the terms of the Performance Guarantee, bond, or Letter of Credit pursuant to Article 12 of this Contract.

**ARTICLE 19 – AMENDMENTS.** The terms and conditions of this Contract shall not be altered or otherwise modified except by a written amendment to this Contract executed by CITY and CONTRACTOR.

**ARTICLE 20 – ENTIRE CONTRACTOR.** The terms of this Contract, all exhibits attached, and any documents expressly incorporated by reference represent the entire agreement between the parties with respect to the subject matter of this Contract. This Contract shall supersede any and all prior agreements, oral or written, regarding the subject matter between the CITY and CONTRACTOR. No other agreement, statement, or promise relating to the subject matter of this Contract shall be valid or binding except by a written amendment to this Contract.

If any conflicts arise between the terms and conditions of this Contract and the terms and conditions of the attached exhibits or any documents expressly incorporated, the terms and conditions of this Contract shall control.

**ARTICLE 21 – ASSIGNMENT.** No assignment of this Contract, or any right occurring under this Contract, shall be made in whole or in part by the CONTRACTOR without the express written consent of the CITY and in the event of any assignment, the assignee shall assume the duties and liabilities of the CONTRACTOR.

**ARTICLE 22 – CHOICE OF LAW.** In the event there is a dispute arising out of this Contract, the laws of the Court of Tirana will govern the resolution of that dispute.

**IN WITNESS WHEREOF,** the CITY and the CONTRACTOR have executed this Contract as of the date written on the first paragraph of this Contract.

CITY OF TIRANA:

CONTRACTOR:

SIGN:

SIGN:

Mayor, Sali Kelmendi

NAME: Sali Kelmendi

NAME:

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TITLE: Mayor

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TITLE:

## **EXHIBIT A**

### **SCOPE OF SERVICES FOR SOLID WASTE COLLECTION**

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1. CONTRACTOR shall provide all labor, materials, equipment (equipment as described in Attachment A-2), and permits required to conduct solid waste collection services in accordance with the specifications of this Contract.

2. The term "Customer" shall mean a commercial or institutional establishment, a construction or demolition activity, or a person owning, leasing, or otherwise holding or occupying a dwelling unit, who is located within the CITY and has satisfactory access to container service for solid waste disposal, and to which waste management services are provided by the CONTRACTOR.

The term "Contract Area" means the designated area located within the CITY limits where the CONTRACTOR shall provide solid waste management services. The boundaries of the Contract Area are delineated in Attachment A-1, and incorporated herein by reference.

The term "Solid Waste" shall mean all materials customarily referred to as waste, garbage, refuse, rubbish, and other discarded materials resulting from residential or commercial establishments and operations or from community activities, exclusive of Unacceptable Wastes.

The term "Unacceptable Waste" shall mean:

- (a) Bulky wastes such as large auto parts, stoves, refrigerators, large crates, and other large appliances;
- (b) Dead animals or animal carcasses or parts resulting from medical research activities or destruction of diseased animals;
- (c) Abandoned vehicles or trucks;
- (d) Industrial waste resulting from industrial or manufacturing operations, or food processing wastes, unless specifically approved by the CITY;
- (e) Hazardous wastes, including pathological wastes, explosive, or radioactive materials; and
- (f) Sewage treatment sludge and septage.

3. CONTRACTOR shall purchase, at CONTRACTOR's sole cost and expense, and distribute containers to Customers as necessary to meet the terms and conditions of this Contract.

For the first twelve (12) months of the Contract term, the parties shall divide the cost evenly (50 percent to each party) for the replacement cost (replacement cost means manufacturer's invoice cost plus distribution cost without interest) for any lost, stolen,

or missing containers. Thereafter, CONTRACTOR will repair or replace all lost, stolen, missing, or damaged containers at no additional cost to the CITY.

Each container provided by CONTRACTOR to Customers shall be constructed of rigid, durable materials with a minimum five (5) year life expectancy warranted by the manufacturer. CONTRACTOR shall be responsible for the replacement of container, wheels, lids, hinges, handles, etc.

For initial distribution and replacement of the containers listed in Attachment A-2, the CONTRACTOR shall estimate Customer collection needs accordingly, particularly with regard to nearby accessibility for the Customer's expected rate of waste disposal, and the collection frequency required to meet customer demand.

CONTRACTOR shall provide solid waste collection service, at a minimum, twice per week at regularly scheduled intervals for all containers placed in the Contract Area. More frequent container collection or placement of additional containers may be necessary by CONTRACTOR on occasion at no additional charge to the CITY to meet the terms and conditions of this Contract due to seasonal or other variations in Customer waste disposal rates.

The CITY will work with the CONTRACTOR to establish the exact boundaries for container placement at all collection premises. CONTRACTOR shall at all times keep the collection premises in a sanitary, neat, and well-maintained condition. CITY shall have the right to inspect the premises to ensure conformance to these standards.

If the CONTRACTOR determines that refuse placed in any container for collection is waste that may not legally be disposed of or presents a hazard to the CONTRACTOR's employees, the CONTRACTOR shall have the right to refuse to accept such refuse. This includes unacceptable wastes as defined in this Exhibit. In such event, CONTRACTOR shall notify CITY immediately so that arrangements can be made with CONTRACTOR or CITY forces to remove and dispose of the unacceptable wastes as soon as possible.

4. CONTRACTOR's office hours shall be, at a minimum, from 8:00 A.M. to 5:00 P.M. daily, on all collection days. A representative of CONTRACTOR shall be available during office hours for communication with customers and the public at CONTRACTOR's local office. CONTRACTOR shall also maintain a local after-hours telephone number for use during other than normal business hours. CONTRACTOR shall have a representative or answering service available at the local telephone number during all hours other than normal office hours.

5. All customer complaints shall be directed to CONTRACTOR. CONTRACTOR shall record all complaints received by mail, by telephone, or in person (including date, names, address of customer, and nature of complaint). CONTRACTOR agrees to use

its best efforts to resolve all complaints by close of business of the second business day following the date on which the complaint is received.

CONTRACTOR shall maintain records listing the date of customer complaints, the name of customer, the nature of the complaint, and when and what action was taken by the CONTRACTOR to resolve the complaint. CONTRACTOR shall prepare and submit monthly listings of customer complaints to the CITY.

A customer dissatisfied with CONTRACTOR's decision and resolution regarding a complaint may ask the city to review the complaint. The CITY shall determine if the customer's complaint is justified, and, if so, what remedy, if any, shall be imposed. With the exception of damage to private property by CONTRACTOR, the remedy shall be limited to a penalty of up to one hundred dollars (\$100) for any single event or series of related events, or actual damages. The CITY shall refer complaints about all damage to private property to the CONTRACTOR. The CONTRACTOR shall repair all damage to private property caused by its employees.

6. The term "Public Education" shall mean any and all efforts to enhance, increase, or improve the knowledge of Customers of the CONTRACTOR regarding solid waste generation, collection, recycling, transfer, disposal, or any other aspect of solid waste management.

The CONTRACTOR shall, at a minimum, and under the general direction of the CITY, initiate and conduct the following activities that will constitute the public education program:

- (a) Prepare a notice for distribution to the media prior to the commencement of services that details the waste management services to be provided to the CITY, highlighting use of containers for regular collection services and litter reduction.

- (b) Prepare and distribute to all Customers an introductory "City Mayor's letter" on City-supplied letterhead, which explains the program and the responsibilities of the CONTRACTOR and the Customers. This letter shall be distributed not less than thirty (30) days prior to the start date of field operations of waste management services. The CITY shall work with CONTRACTOR to develop the appropriate letter content.

- (c) Prepare and distribute to Customers a Collection Rules Information package as specified later in this Exhibit.

- (d) Conduct an annual workshop for residents of the City which promotes use of containers for waste disposal and litter reduction. The annual workshop will consist of, at a minimum, one (1) day at the main square in Tirana and one (1) day at the main market in Tirana. The CONTRACTOR shall provide notice of such activities not less than fourteen (14) days prior to the workshop through public media.

The form and content of all written and graphic materials shall be approved in advance by the City.

7. CONTRACTOR shall divide the Contract Area into sub-areas or routes in a manner that spreads the twice weekly collection cycle over the work week. Collections shall be made from the same collection premises on regular schedule twice a week. Fourteen (14) days prior to the commencement of work, the CONTRACTOR shall furnish to the CITY a color-coded CITY map of the collection routes indicating the days of the week collection will occur in each area or route. To the extent possible, collections on each route shall commence at the same point, at the same time, and follow the same route each time collections are made.

8. Not less than fourteen (14) days prior to commencing services, and annually thereafter, the CONTRACTOR shall, at the CONTRACTOR's expense, prepare a Collection Rules Information package for solid waste collection in the form of a handout to be distributed to all Customers. The Collection Rules Information shall include the following: the collection schedule for the Contract Area and the holiday collection policy for the upcoming year; requirements pertaining to acceptable wastes that can be placed in the containers; location of containers for pickup and times of collection; address and telephone number of the CONTRACTOR, and other such information as the CITY deems necessary.

The Collection Rules Information package shall be given to all Customers at or prior to the commencement of services. The package and any changes made thereto shall be reviewed by and be subject to the approval of the CITY prior to distribution.

9. Unless the CITY determines otherwise, the collection of solid waste in the CITY shall be confined to Monday through Friday between the hours of 6:00 A.M. and 6:00 P.M. Collection may be made on Saturday if a holiday occurs within the preceding week or if inclement weather precludes collection on a weekday. There shall be no pickup on Sundays.

10. Upon collection, CONTRACTOR shall replace all containers to their designated locations, upright, with the lids closed.

END:



**ATTACHMENT A-1**  
**CONTRACT AREA**

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(To be provide by municipality)

## **ATTACHMENT A-2**

### **COLLECTION EQUIPMENT**

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1. The CONTRACTOR shall provide an adequate number of solid waste collection vehicles, containers, and associated materials for the collection, transfer, handling, and disposal of solid waste for which it is responsible under this Contract. The vehicles and containers of the CONTRACTOR used under this Contract shall be subject to inspection by the CITY on a semi-annual basis.
2. All collection vehicles used under this Contract shall be registered with the CITY, shall be kept clean and in good repair, and shall be uniformly painted. A sufficient supply of replacement parts must be kept on hand to ensure timely and continuous fulfillment of this Contract.
3. Solid waste collection vehicles shall be washed at least once every seven (7) calendar days.
4. The CONTRACTOR agrees to provide all brand new containers at the commencement of solid waste collection service. "Containers" shall mean those containers provided by the CONTRACTOR for single and multi-family residential uses, and for commercial, institutional, and other public uses. Container types and capacities may vary according to these uses.

Containers generally are of four types: (i) sidewalk bins (usually less than 1 cubic meter in capacity) which are picked up manually by collection crews and emptied into collection vehicles; (ii) rear-loading containers (usually between 1 and 7 cubic meters in capacity) which are picked up by collection trucks by mechanical means with a rear-loading apparatus; (iii) front-loading containers (usually between 2 and 8 cubic meters in capacity) which are picked up by collection trucks by means of front-loading apparatus; and (iv) roll-off containers (usually between 15 and 35 cubic meters in capacity) which are picked up by collection trucks using rear-loading winches onto rails.

5. All containers used under this Contract shall be kept clean and in good repair, and shall be uniformly painted. A sufficient supply of replacement containers must be kept on hand to ensure timely and continuous fulfillment of this Contract.
6. The CONTRACTOR agrees to use its name for all correspondence, directory listings, signs, vehicles, and container identification, etc.
7. The CONTRACTOR's name, a local telephone number, and vehicle number shall be visibly displayed on all collection vehicles in letters and figures no less than ten (10) cm high.

In addition, the CONTRACTOR's name, a local telephone number, and the words "KEEP YOUR CITY CLEAN" shall be visibly displayed on all containers in letters and figures no less than five (5) cm high.

8. CONTRACTOR agrees to provide an adequate number of vehicles and containers in accordance with the terms and conditions of this Contract, a listing will be submitted to CITY before initiating collection services.

9. Each vehicle used for collecting, hauling, or disposing of solid waste shall be equipped with an audible warning device that is activated when the vehicle is backing up.

10. Each vehicle used for solid waste transport shall have water-tight bodies equipped with close fitting metal covers. Should any solid waste be dropped or spilled during collection or transport, it shall be immediately cleaned up. A broom and shovel shall be carried on each vehicle at all times for this purpose. All expenses incurred by the CITY in collection and disposal of any spilled or dropped solid waste in the Contract Area shall be paid to the CITY by the CONTRACTOR.

END:

## **EXHIBIT B**

### **SCOPE OF SERVICES FOR STREET SWEEPING**

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1. The CONTRACTOR shall provide all labor, materials, equipment (equipment as described in Attachment B-2), and permits required to conduct public sweeping services in accordance with accepted standards for municipal street cleaning and the specifications of this Contract.
2. The term “street” shall mean the paved area between the normal curb line of a roadway, whether an actual curb line exists or not. It does not include sidewalks or parking lots other than the parking lots specified below. The term “debris” shall mean all materials normally picked up by a mechanical sweeper, such as sand, glass, paper, cans, rocks, leaves, organic, and other materials.
3. The debris removal areas required under this Contract are shown in Attachment B-1, and constitute the Contract Sweeping Area. The CONTRACTOR shall sweep and remove all debris from all public streets in the Contract Sweeping Area for a minimum of the capacity of two (2) street sweeping vehicles, measured as 10 to 15 kilometers per day per machine, including all curbs and medians, and CITY and Government public parking lots currently owned and maintained by the CITY in the Contract Area.
4. Sweeping debris at a curb or median face is to be a maximum depth of 10 cm at the curb or median face and 50 cm out from the curb or median face. When necessary for proper cleaning, the CONTRACTOR shall make more than one (1) pass on a street without extra charge. The CONTRACTOR shall immediately respond at no additional charge when notified by the CITY to re-sweep areas deemed as unsatisfactory in the judgment of the City.
5. Sweeping of streets is authorized Monday through Saturday. The CONTRACTOR shall notify the CITY when the CONTRACTOR is prevented from performing effective sweeping services due to inclement weather. Sweeping services deferred due to inclement weather shall be completed the next regularly scheduled sweeping date, weather permitting. The CONTRACTOR shall perform all extra work caused by inclement weather without charge to the CITY.
6. The CONTRACTOR shall dispose of all debris collected through sweeping to legally established disposal facilities. Transfer points for storage of debris must be approved by the CITY. The CONTRACTOR shall make arrangements with the local water authority to obtain water necessary for the sweeping operation. All costs for obtaining water and for debris disposal at the landfill shall be paid by the CONTRACTOR.

7. The CONTRACTOR shall not provide sweeping services if the day of scheduled street sweeping on any given route falls on a holiday observed by the sanitary landfill or other legal disposal site to which debris collected within the Contract Sweeping Area is taken for disposal. In such an event, the CONTRACTOR shall provide sweeping services for such route on the workday next following such holiday.

8. Through the public education program conducted by CONTRACTOR, residents shall be encouraged not to park on residential streets on the day scheduled for street sweeping services. The CITY may, at CITY's sole option, implement no parking zones, with or without a violation system, on scheduled street sweeping days if the public education program is deemed ineffective and the mechanized street sweeping services are adversely affected.

END:

## **ATTACHMENT B-1**

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(To be provide by municipality)

## **ATTACHMENT B-2**

### **STREET SWEEPING EQUIPMENT**

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1. The CONTRACTOR shall provide an adequate number of vehicles and associated materials for the street sweeping services and the collection, transfer, handling, and disposal of debris for which it is responsible under this Contract. The street sweeping vehicles of the CONTRACTOR used under this Contract shall be subject to inspection by the CITY on a semi-annual basis.
2. All street sweeping vehicles used under this Contract shall be registered with the CITY, shall be kept clean and in good repair, and shall be uniformly painted. A sufficient supply of replacement parts must be kept on hand to ensure timely and continuous fulfillment of this Contract.
3. The CONTRACTOR agrees to provide, at a minimum, two (2) brand new street sweepers at the commencement of weekly service.
4. Each street sweeper shall be washed either before or after its daily route. Street sweepers must be equipped with an efficient water spray system for dust control and the spray system must be maintained in excellent operating conditions.
5. The CONTRACTOR agrees to use its name for all correspondence, directory listings, signs, vehicle identification, etc.
6. The CONTRACTOR's name, a local telephone number, vehicle number, and "KEEP YOUR CITY CLEAN" shall be visibly displayed on all street sweeper vehicles in letters and figures no less than ten (10) cm high.
7. CONTRACTOR agrees to provide an adequate number of street sweeping vehicles in accordance with the terms and conditions of this Contract; a listing will be provided to CITY prior to initiating service.

END:

## **EXHIBIT C**

### **SCOPE OF SERVICES FOR STREET WATERING**

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1. The CONTRACTOR shall provide all labor, materials, equipment (equipment as described in Attachment A-2), and permits required to conduct public street watering services in accordance with the specifications of this Contract.
2. The term "street" shall mean the paved area between the normal curb line of a roadway, whether an actual curb line exists or not. It does not include sidewalks or parking lots other than the parking lots specified below.
3. The watering areas required under this Contract are shown in Attachment C-1, and constitute the Contract Watering Area. The CONTRACTOR shall, to the extent possible, spray water to achieve full street coverage for all designated public streets in the Contract Watering Area for a minimum of five (5) times per week during the period of April 1 through October 31, including CITY and Government public parking lots currently owned and maintained by the CITY in the Contract Area. This street watering shall be accomplished with the water capacity of one truck of 8,000 to 10,000 liters, operating five (5) days per week. The loading area shall be accessible to the CONTRACTOR within the CITY limits.
4. When necessary for proper watering and dust control, the CONTRACTOR shall make more than one (1) pass on a street without extra charge. The CONTRACTOR shall immediately respond at no additional charge when notified by the CITY to re-water areas where coverage is unsatisfactory in the judgment of the CITY.
5. Watering of streets is authorized between the hours of 6:00 A.M. and 5:00 P.M., and watering of public parking lots is authorized between the hours of 12:01 A.M. and 8:00 A.M., Monday through Saturday. The CONTRACTOR shall notify the CITY when the CONTRACTOR is prevented from performing effective watering services due to inclement weather. Watering services deferred due to inclement weather shall be completed the next regularly schedule watering date, weather permitting. The CONTRACTOR shall perform all extra work caused by inclement weather without charge to the CITY.
6. The CONTRACTOR shall make arrangements with the local water authority to obtain water necessary for the watering operation. All costs for obtaining water for street watering under this Contract shall be paid by the CONTRACTOR.

END:



**ATTACHMENT C-1**  
**CONTRACT AREA**

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(To be provided by municipality)

## **ATTACHMENT C-2**

### **STREET WATERING EQUIPMENT**

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1. The CONTRACTOR shall provide an adequate number of watering vehicles and associated materials for the street watering services for which it is responsible under this Contract. The watering vehicles of the CONTRACTOR used under this Contract shall be subject to inspection by the CITY on a semi-annual basis.
2. All street watering vehicles used under this Contract shall be registered with the CITY, shall be kept clean and in good repair, and shall be uniformly painted. A sufficient supply of replacement parts must be kept on hand to ensure timely and continuous fulfillment of this Contract.
3. The CONTRACTOR agrees to provide, at a minimum, one (1) brand new street watering tanker trucks at the commencement of service.
4. Each street watering vehicles shall be washed either before or after its daily route. Street watering vehicles must be equipped with an efficient water spray system for dust control and the spray system must be maintained in excellent operating condition.
5. The CONTRACTOR agrees to use its name for all correspondence, directory listings, signs, vehicle identification, etc.
6. The CONTRACTOR's name, local telephone number, vehicle number, and the words "KEEP YOUR CITY CLEAN" shall be visibly displayed on all street watering vehicles in letters and figures no less than ten (10) cm high.
7. CONTRACTOR agrees to provide an adequate number of street watering vehicles in accordance with the terms and conditions of this Contract; a listing of such vehicles will be provided to CITY prior to initiating watering service.

END:

## **EXHIBIT D**

### **PAYMENT AND PERFORMANCE MANAGEMENT**

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**I. PERFORMANCE MANAGEMENT.** The CITY shall designate a supervisor for the monitoring of performance by the CONTRACTOR, either through the authority or independent of the authority, who will be funded from the budget specified for the service in question. The supervisor or monitor will operate on the basis of a performance manual specifying the guidelines and procedures for monitoring contract performance and compliance. The monitor will prepare monthly inspection and supervisory reports indicating performance levels, possible deficiencies, and proposed sanctions and present them to the relevant municipal authorities. If the supervisor may assess sanctions as determined in the operating manual.

The Monitor of the contract will also prepare a monthly financial report which will be comprised of the monthly invoices, expenses, and receipts submitted by the CONTRACTOR for payment. The monitor will be responsible for verifying each expense and will approve or disapprove expense items based on the terms of the contract for payment. These expense reports will be submitted to the relevant authority for payment as per the conditions of the contract. The expense reports submitted by the CONTRACTOR and the monthly financial reports prepared by the monitor will be subject to periodic audits.

#### **II. PAYMENT.**

1. Subject to the limitations set forth in Section 2, below, CITY shall pay CONTRACTOR for the services specified in Exhibit A, Exhibit B, and Exhibit C as follows:

(a) Full reimbursement for all documented and approved invoices for providing said services.

(b) Any additional amount needed to reflect any bonuses granted under the terms and conditions of this Contract.

(c) Any deduction needed to reflect any penalties assessed under the terms and conditions of this Contract.

2. Notwithstanding the provisions of Section 1, under no circumstances shall CITY pay CONTRACTOR more than seventy-five thousand dollars (\$75,000) per month, on average, over the entire five (5) year of this Contract for the services specified in Exhibit A, Exhibit B, and Exhibit C; and, therefore, to this end, under no circumstances shall CITY pay CONTRACTOR more than four million five hundred thousand dollars (\$4,500,000) over the entire five (5) years of this Contract for the services specified in Exhibit A, Exhibit B, and Exhibit C.

3. Either party to this Contract may at any time request that the payments or limitations specified in Sections 1 and 2 above of this Exhibit be modified to reflect changing circumstances, conditions, or acts of government relating to the performance of this Contract. If the parties fail to reach agreement on such modifications, however, the payment amounts and limitations specified shall remain in effect.
4. CITY shall make the payments specified in Section 1 of this Exhibit to CONTRACTOR monthly, within thirty (30) days of receipt by CITY of an acceptable invoice from CONTRACTOR for services performed the prior calendar month. Any bonuses or penalties assessed under the terms and conditions of this Contract shall be added to or subtracted from the first monthly invoice submitted to CITY by CONTRACTOR after said bonuses or penalties have been determined.
5. As part of the performance management of this contract, a system of bonuses for exceptional performance and penalties for under-performance will be in effect for the duration of this contract. Under the performance bonus system, the CONTRACTOR will receive at the end of the annual period of service, a bonus of thirty-five thousand dollars (\$35,000) if the supervisor/monitor determines that service was provided for six (6) consecutive months without verified complaints received.

END: